APPENDIX M

Timeline of events leading up to the date of Administration

The following timeline identifies the key events that occurred in the period prior our appointment as Administrators.

Date	Event	Effects
1 Nov 10	Hastie Group announces 10% FY11 EBIT downgrade at AGM.	Brokers downgrade HST shares and share price falls 12%.
9 Dec 10	Chris Woodward reports to the Board that due to $14m EBIT downgrade, Hastie Group is likely to breach its banking covenants.	Hastie Group requests that the Banking Syndicate review its covenants.
23 Dec 10	Hastie Group announces changes to its banking covenants, effective until March 2011.	Hastie Group remains within its covenants.
16 Feb 11	Board meeting held at which EBIT for FY11 is revised down from $73m, as previously advised at the AGM, to $50m.	Hastie Group announces a share trading halt whilst it discusses its financial performance with the Banking Syndicate.
18 Feb 11	Advisors to the Board, estimate that Hastie Group will need to raise $100m equity to repay existing debt and comply with its long-term debt covenants.	HST shares are suspended whilst it explores capital raising options and financing with the Banking Syndicate.
11 Apr 11	Hastie Group releases half-year results to 31 December 2010 and announces standstill arrangement with Banking Syndicate whilst it explores capital restructuring options.	Share trading recommences on 12 April 2011. However, due to the uncertainty around the standstill arrangement: • potential contract tenders are lost • debtors withhold payment • suppliers reduce credit terms • insurers refuse credit cover which adversely affects Hastie Group's cashflow.
2 Jun 11	The Board signs off the FY12 budget: • EBIT $24.4m to 31 Dec11 (HY) • EBIT $58m to 30 Jun 11 (FY)	The FY12 budget forms part of the draft prospectus for the proposed capital raising. An independent corporate advisor provides its opinion on the prospectus that states it has not found anything to indicate that the forecasts in the prospectus are not reasonable.
14 Jun 11	Hastie Group announces a $160m equity raising plan with: • LCWPE to be the key investor • $145m to be used to repay existing debt • a new agreement for $146m of syndicated debt facilities.	Institutional and retail entitlement offerings are made to shareholders.
25 Jul 11	Hastie Group announces it is no longer operating under the standstill arrangements with the Banking Syndicate as it has completed the $160m recapitalisation program.	$146m is used to repay existing debt. The new syndicated banking facilities are intended to provide funding until FY14 and FY15.
4 Aug 11	Unaudited FY11 full year results are presented to the Board.	The unaudited results confirm that EBIT is $47.5m, down from the original FY11 forecast of $79m.

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19 Aug 11	David Harris, CEO, and Christopher Woodward, CFO, resign.	Both resignations are effective from 30 November 2011.
26 Aug 11	Consultants engaged to review performance of Australian MEP division.	Review is focussed on examining forecasting processes and identifying why the division failed to meet budget.
5 Oct 11	Report into poor performance of Australian MEP division and internal strategic review of the Middle East is presented to the Board.	Board resolved to engage an external advisor to soft market the Middle East businesses.
10 Oct 11	Hastie Group announces Bill Wild as new interim CEO and Mark Wratten as new CFO.	Market confidence in the Hastie Group improves as Bill Wild, former deputy chief executive of Leighton Holdings, has extensive experience in the construction industry.
31 Oct 11	Board meets to discuss recovery plan put forward by Bill Wild.	Four businesses are identified as needing to be exited. The combined goodwill write-down upon exiting is anticipated to be $22m, exclusive of other impairments and exit costs.
3 Nov 11	AGM is held at which the full year results are presented: • FY11 EBIT (after adjustments) is a loss of ($59m) • Underlying FY11 EBIT of $47.5m • Middle East bad debt provision of $33.5m • Middle East goodwill write down of $69.1m.	At the AGM, the Board notes that a recovery plan is to be put into place to reverse this decline, involving: • the restructure of the Australian businesses • rationalisation of the Middle east operations • addressing of overhead costs • development of operations in higher margin sectors.
4 Nov 11	Bill Wild visits UAE to prevent the imminent termination of a major contract. Whilst there, BW uncovers significant operational, financial and reporting issues. The Middle East CEO and Regional CEO leave the Hastie Group.	On 19 Dec 11, the Board issues a market update advising that the strategic review of Middle East has found significant cost overruns, which will be taken as a $48m-$55m charge to HY12 EBIT.
8 Feb 12	At the Board meeting, the review of the Engineering division highlights a forecast EBIT downgrade of $22.9m for FY12.	Trevor Bourne steps down as Chairman. At the Board meeting, Bill Wild presents: • his review of the Middle East and other international businesses • a recovery plan update.
22 Feb 12	Hastie Group announces completion of internal audit by new management. The audit outcome is that EBIT for HY12, after adjustments, is expected to be a loss of ($146m).	The loss of ($146m) includes • an increase of the Middle East charge from $48m to $88m, • restructuring costs of $44m • a write down of non-recoverable debtor balances of $10m. The update also notes that borrowings have been reduced by $147m to $166m at 31 December 2011, as a result of a rights issue in July 2011.
29 Feb 12	Hastie Group releases its HY results to 31 Dec 2012. The report reveals an increase of net loss year on year from ($94.3m) in 2010 to ($149.1m) in 2011. In addition, current liabilities exceed current assets by $140.5m, resulting in a breach of the Hastie Group's covenants.	In the auditor's report, the auditor notes material uncertainty regarding Hastie Group's going concern status. Further write-downs of Rotary business total $37.3m, bringing non-Middle East Rotary write-downs to $79.3m over two years.

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11 Apr 12	Hastie Group further downgrades its estimated EBIT, before adjustments, from $14m to effectively nil.	Hastie Group also announces it has signed a new agreement with the Banking Syndicate, removing the requirements for it to comply with covenant testing.
13 Apr 12	Hastie Group announces that Dutco Balfour Beatty (DBB) has called in $6.2m of performance bonds, after failing to attend a scheduled court hearing over the disputed Novotel complex project in Dubai.	HST share trading is halted, with the shares being suspended on 17 Apr 2012.
20 Apr 12	Hastie Group advises that in the absence of a court injunction being in place, the Middle East banks will pay out the performance bonds of c$7.4m to DBB on 23 April 2012.	EBIT is impacted by the costs for the Hastie Group resolving this matter, resulting in the current EBIT estimate, before adjustments, of nil being reduced to a loss of ($15m).
3 May 12	Hastie Group confirms that DBB has received payment of the bank guarantees totalling $7.4m, which exceeds the agreed value of $6.2m.	The Banking Syndicate agrees not to recoup the funds from Hastie Group whilst a NSW Supreme Court injunction remains in place.
4 May 12	Mark Wratten resigns as CFO.	Ashleigh Killock is appointed to replace Mark Wratten.
15 May 12	Hastie Group announces it has submitted two recapitalisation proposals to its Banking Syndicate.	On 19 May 12, the Hastie Group announces that 70% of the Banking Syndicate has agreed to the recapitalisation proposals, however negotiations are ongoing and unilateral agreement from the Banking Syndicate is required for any plan to go ahead.
16 May 12	An employee of Hastie Services informs management of accounting irregularities.	Management investigates these claims, which relate to historical accounts.
25 May 12	Hastie Group announces accounting irregularities of c$20m in the Services division, going back to 2009, including $3m already adjusted in the half year accounts to 31 December 2011.	The Banking Syndicate withdraws from negotiations with the Hastie Group.
28 May 12	Ian Carson, Craig Crosbie and David McEvoy of PPB Advisory are appointed Voluntary Administrators of 44 Hastie Group companies by the directors. Representatives of McGrathNicol are also appointed as Receivers and Managers of 11 of the same Hastie Group companies.	Hastie Group ceases to trade.